



**Testimony before the Insurance and Real Estate Committee March 15, 1012  
HB 5485, An Act Concerning the Connecticut Health Insurance Exchange  
Submitted by: Dominique S. Thornton, Esq., Mental Health Association of CT, Inc.**

Senator Crisco, Representative Megna and members of the Insurance and Real Estate Committee, my name is Dominique Thornton. I am the General Counsel and Director of Public Policy for the Mental Health Association of Connecticut, Inc. (MHAC). MHAC was established in 1908, the first private nonprofit dedicated to service, education and advocacy for people experiencing mental health disabilities. Thank you for the opportunity to come before you today to testify regarding HB 5485, An Act Concerning the Connecticut Health Insurance Exchange. MHAC supported the establishment of Connecticut's Health Insurance Exchange. We applaud Connecticut's foresight to establish such an Exchange as an early adopter under the federal health care reform legislation known as the Patient Protection and Affordable Care Act. (PPACA). The PPACA presents an opportunity for Connecticut to provide comprehensive and affordable health care coverage for all its residents. MHAC supports that goal.

Many of the people served by MHAC have very low incomes. Frequently, it is the case that they have no access to employer sponsored insurance. They experience enormous challenges to continuous employment. Even when COBRA is available, it is far too expensive and lasts only a limited time. Also, as a group, their demographic is young. They are most often under the age of 65. Due to the lack of coordinated healthcare, they do not enjoy an average life expectancy. Instead, persons living with long term mental health disorders experience a life expectancy approximately 25 years less than the rest of the U.S. population. The Health Exchange presents an opportunity to insure that continuous integrated health insurance is available to all. At a minimum, Connecticut residents who qualify for the Basic Health Program enrollment should have a choice of plans both inside and outside the Exchange. Please do not foreclose out that opportunity.

The Mercer Report to the Board of Directors of the Health Insurance Exchange recently estimated that there are approximately 75,000 to 100,000 low-income people under the age of 65, not eligible for employer sponsored healthcare earn between 133% and 200% of Federal Poverty Level (FPL). People in this age and income range, generally not eligible for Medicare or Medicaid coverage with

low-incomes make it highly unlikely that they will be able to afford to pay premiums and cost-sharing required by the future health insurance exchange or other commercially available products. In fact the Mercer Report estimated that approximately 50% of this population would not purchase insurance at all because health care coverage costs will continue to be unaffordable even with the subsidies offered to individuals by the federal government. Most frequently their only alternative is to access uncompensated care at the most expensive delivery point the hospital emergency room. Would it not be better to have coverage for all and payment for every patient rather than the current system?

The Mercer Report estimates that “reducing the Medicaid eligibility to 133% would increase the BHP-eligible population of 74,000 by an estimated 19,350 individuals. “ However, these additional costs would be more than offset by the savings of the state share of Medicaid funds now being expended for these populations.”<sup>1</sup> The state could save \$48 million it is now spending to cover HUSKY parents up 185% and pregnant women up to 200% because they would be covered by the SBHP and paid for with federal not state dollars. The Basic Health Program (BHP) could be a Medicaid look alike to capture the administrative savings, efficiencies of scale and ensure the continuity of care. Why would we want to foreclose out that option?

A State Basic Health Program could enable Connecticut to offer 75,000 to 100,000 people affordable, good quality health care in a cost neutral manner. The Mercer report also indicates that the “Medicaid scenario provides the best advantage to this low-income population, which would also have the best change of maximizing enrollment. This scenario would both cover the greatest number of eligible adults and result in the lowest morbidity level of the risk pool.”<sup>2</sup> Designing a State Basic Health Program that looks like Medicaid would save the state money by delivering medical and mental health care in an integrated cost effective manner. Connecticut residents especially those with serious and persistent mental illnesses need early and continuous integrated medical and mental health services that the BHP would provide instead of costly crisis interventions such as emergency rooms or repeated hospitalizations. Therefore, I am asking this committee to amend the bill to strike the last sentence in Section 3 (b) prohibiting the state from offering a basic health program, as described in Section 1331 of the Affordable Care Act.

Thank you.

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<sup>1</sup> Mercer Report to the Health Insurance Exchange Planning Report dated January 10, 2012, p. 178.

<sup>2</sup> Ibid., p. 187.